

ACTION AGENDA

Tuesday, May 26, 2015
Special Meeting
Committee of the Whole
Regular Meeting

SPECIAL MEETING AGENDA

Session 15-19 a Special Meeting of the Homer City Council was called to order on May 26, 2015 at 4:30 p.m. by Mayor Pro Tempore Francie Roberts at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: BURGESS, LEWIS, REYNOLDS, ROBERTS, VAN DYKE, ZAK

STAFF: CITY MANAGER KOESTER
CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER

- 2. **AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council’s Operating Manual, pg. 5)

The agenda was approved by consensus of the Council.

- 3. **Memorandum 15-078** From City Clerk Re: Request for Executive Session Pursuant to AS 44.62.310 (a-c)(1 & 5) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit, and Matters that are Attorney-Client Privilege (City of Homer v. Castner Supreme Court No. S-15890 Order).

APPROVED.

The Council adjourned to Executive Session at 4:32 p.m. and reconvened at 4:52 p.m.

Councilmember Lewis stated they spoke with the attorney and he will bring forth a resolution on reassessment of condos at our next meeting.

- 4. **COMMENTS OF THE AUDIENCE**

There were no comments of the audience.

5. ADJOURNMENT NO LATER THAN 4:55 P.M.

Mayor Pro Tempore Roberts adjourned the meeting at 4:53 p.m.

COMMITTEE OF THE WHOLE AGENDA

1. CALL TO ORDER, 5:00 P.M.

Mayor Pro Tempore Roberts called the meeting to order at 5:00 p.m.

2. AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council’s Operating Manual, pg. 6)

The agenda was approved by consensus of the Council.

3. WATER & SEWER RATES

Memorandum 15-077 from Finance Director as backup.

4. CONSENT AGENDA

5. REGULAR MEETING AGENDA

6. COMMENTS OF THE AUDIENCE

There were no comments of the audience.

7. ADJOURNMENT NO LATER THAN 5:50 P.M.

Mayor Wythe adjourned the meeting at 5:50 p.m.

REGULAR MEETING AGENDA

Session 15-20 a Regular Meeting of the Homer City Council was called to order on May 26, 2015 at 6:00 p.m. by Mayor Mary E. Wythe at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: BURGESS, LEWIS, REYNOLDS, ROBERTS, VAN DYKE, ZAK

STAFF: CITY MANAGER KOESTER
CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER

PORT AND HARBOR DIRECTOR HAWKINS

Department Heads may be called upon from time to time to participate via teleconference.

2. AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 1.24.040.)

The following changes were made: **CONSENT AGENDA - Resolution 15-038(S)**, A Resolution of the Homer City Council Electing to Participate in the AMLJIA Loss Control Incentive Program for the City of Homer for the 2015-2016 Policy Year. City Manager/Finance Director. **ORDINANCES - Ordinance 15-17**, An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 13-03(S)(2) to Permit the City to Prepay Principal of the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02(S)(2), and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager. First Amendment to Loan Agreement as backup. **Ordinance 15-18(S)**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2015 Capital Budget by Appropriating ~~\$613,000~~ **\$621,500** From the General Fund Fund Balance to the Public Safety Building Project Account to Fund the New Public Safety Building to 35% Design. Mayor. **CITY MANAGER'S REPORT** -Memorandum 15-079 from City Manager, Re: Tax Revenue and Public Safety. Letter from Concerned Citizens and Business Owners of Kachemak Bay, Re: Polystyrene Debris in Kachemak Bay. Letter from Department of Corrections, Re: FY 2016 Funding for Jail.

The agenda as amended was approved by consensus of the Council.

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

There were no public comments.

4. RECONSIDERATION

5. CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Regular meeting minutes of May 11, 2015. City Clerk. Recommend adoption.

- B. **Memorandum 15-068**, from Mayor, Re: Reappointment of Patrick Brown to the Economic Development Advisory Commission.
- C. **Ordinance 15-14**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Grant from the Kenai Peninsula Borough for FY 2014 in the Amount of \$13,925.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommended dates: Introduction May 26, 2015, Public Hearing and Second Reading June 8, 2015.

Moved to Ordinances.

- D. **Ordinance 15-15**, An Ordinance of the City Council of Homer, Alaska, Purchasing Tax Foreclosure Property, Kenai Peninsula Borough (KPB) Tax Parcel Number 173-052-19 and Designating its Use for Public Purpose and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommended dates: Introduction May 26, 2015, Public Hearing and Second Reading June 8, 2015.

Moved to Ordinances.

- E. **Ordinance 15-16**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 3.05.012, Complete Financial Plan, to Exclude State Revenue Sharing From Income in the City Budget. Mayor. Recommended dates: Introduction May 26, 2015, Public Hearing and Second Reading June 8, 2015.

Moved to Ordinances.

- F. **Resolution 15-035**, A Resolution of the City Council of Homer, Alaska, Requesting That the United States Coast Guard Continue to Maintain and Upkeep the Oil Spill Response Caches Located in Kachemak Bay, Cook Inlet, and the State of Alaska. Reynolds/Burgess. Recommend adoption.
- G. **Resolution 15-036**, A Resolution of the Homer City Council Awarding the Contract to Create a Municipal Art Baseline Inventory to Far North Photography of Homer, Alaska, in the Amount of \$3,700 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Recommend adoption.

Memorandum 15-071 from Public Arts Committee as backup.

- H. **Resolution 15-037**, A Resolution of the Homer City Council Awarding the 2015 Septic Tank Pumping Contract to Homer Septic Services of Homer, Alaska, in the Amount of

\$35,510.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Recommend adoption.

Memorandum 15-072 from Permit Technician as backup.

- I. **Resolution 15-038**, A Resolution of the Homer City Council Electing to Participate in the AMLJIA Loss Control Incentive Program for the City of Homer for the 2014-2015 Policy Year. City Manager/Finance. Recommend adoption.

Resolution 15-038(S), A Resolution of the Homer City Council Electing to Participate in the AMLJIA Loss Control Incentive Program for the City of Homer for the 2015-2016 Policy Year. City Manager/Finance Director.

- J. **Resolution 15-039**, A Resolution of the City Council of Homer, Alaska, Establishing a 2015 Mill Rate of 9.962541 Mills for the Ocean Drive Loop Special Service District. City Manager. Recommend adoption.

- K. **Resolution 15-040**, A Resolution of the Homer City Council Establishing the Property Tax Mill Levy Rate at 4.5 for 2015. City Manager. Recommend adoption.

Moved to Resolutions.

- L. **Resolution 15-041**, A Resolution of the City Council of Homer, Alaska, Approving a Five-Year General Concession Lease at the Homer Airport Terminal for Daniel Lush, dba Flying Whale Coffee, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 15-073 from City Manager as backup.

- M. **Memorandum 15-070**, from City Clerk, Re: Travel Authorization for Mayor Wythe to Attend the “Building a Sustainable Future: Conversation with Alaskans” Discussion June 5-7, 2015 at University of Alaska Fairbanks.

Items C, D, and E, Ordinances 15-14, 15-15, and 15-16 were moved to Ordinances, Items C, D, and E. Roberts.

Item K, Resolution 15-040 was moved to Resolutions, Item A. Zak.

The consent agenda as amended was approved by consensus of the Council.

6. VISITORS

- A. Cody Davidson and Mike Hurd, Youth On Record Alaska

Anna Meredith, Cody Davidson, and Mike Hurd provided an overview of Youth On Record Alaska.

7. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. Mayor's Proclamation Mary Epperson Day June 6, 2015

Mayor Wythe acknowledged the proclamation to Mary Epperson.

- B. Borough Report

- C. Commissions/Board Reports:

- 1. Library Advisory Board

Library Advisory Board Member Patrick Brown reported on the Library's increased activity of students and patrons. The award winning library has thousands of volumes of books to share. Library staff works diligently to keep things clean. An inventory control theft system has been serviced to ensure materials are not stolen. Obtaining a library card is easy and benefits all patrons. Twice the City of Homer has received the eCity Award from Google. The Library provides computers and printers to help job-seeking applicants and small businesses. WiFi, new computer systems, and emergency backup power supplies are being requested to provide the library with faster and more reliable service for staff and patrons. Several projects are underway at the Library including the adjacent lot that has been cleared. Cleanup continues this weekend. An architect and gardeners have provided exciting opportunities for use and enjoyment of the land and resources. For the youth the Library provides life skills and positive solutions for career selection. Programs include TERC (Testing and Education Reference Center), genealogy group, Mango languages, public meeting resources, children's library, and amateur radio. Homer Friends of the Library supports SPARK (South Peninsula Amateur Radio Klub) and Ham Radio training classes. Last session all nine students passed. Trainings were at no cost to the students as the Friends donated resources. The Library has accomplished much and continues to expand its mission to serve all patrons. It is many hearts, minds, and hands uniting for the greater good and investing in our future.

- 2. Homer Advisory Planning Commission

- a. Minutes of May 6, 2015

- 3. Economic Development Advisory Commission

- 4. Parks and Recreation Advisory Commission

Parks and Recreation Advisory Commissioner Robert Archibald reported on the Recreation Symposium at the high school that included every recreation group in town. We are advertising for a park host for Karen Hornaday Park. New signs at Jack Gist Park, WKFL Park, and End of the Road Park will soon be erected. The City has renewed their membership with the Alaska Parks and Recreation Association. A membership meeting this fall will draw several hundred people here. The commission is still reviewing a recreational service area and beach policies. At the last meeting over 25 people testified on beach access. The commission has been working on beach issues for the last four to five months and has reviewed lots of ideas. Nationwide Information indicates vehicles are not environmentally good for the beaches. Changes will be coming forward for both vehicle and dog access to the beaches. The next public meeting is June 18 and the commission will bring the beach policies to the council at a June 29th workession. Highland Games are scheduled for June 20th.

5. Port and Harbor Advisory Commission

6. Cannabis Advisory Commission

Councilmember Burgess announced the first meeting will be on Thursday at 5:00 p.m.

D. Thank You from Rotary Club of Homer-Kachemak Bay for hosting Russian Open Work Team from Yakutsk, Siberia

8. PUBLIC HEARING(S)

A. **Ordinance 15-09**, An Ordinance of the City Council of Homer, Alaska, Amending Subsection (d) of Homer City Code Section 21.58.020, Installation Requirements, to Delete the One-Acre Minimum Lot Area for Small Wind Energy Systems. Zak. Introduction April 13, 2015, Referred to Planning Commission, Public Hearing and Second Reading May 26, 2015.

Memorandum 15-069 from City Planner as backup.

There was no public testimony.

ADOPTED without discussion.

B. **Ordinance 15-13**, An Ordinance of the Homer City Council, Enacting Homer City Code Chapter 9.20, Hotel Tax; and Submitting to the Qualified Voters of the City at the October 6, 2015 Regular City Election the Question of Levying a Tax of 2.5% in Addition

to the General City Sales Tax on Rent for Occupancy of a Room in a Hotel, Motel, Inn, Bed and Breakfast or Similar Structure. Lewis. Introduction May 11, 2015, Public Hearing and Second Reading May 26, 2015.

Memorandum 15-065 from City Manager as backup.

There were twelve who testified.

FAILED with discussion.

Mayor Wythe called for a recess at 7:25 p.m. and reconvened the meeting at 7:32 p.m.

9. ORDINANCE(S)

- A. **Ordinance 15-17**, An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 13-03(S)(2) to Permit the City to Prepay Principal of the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02(S)(2), and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager. Recommended dates: Introduction May 26, 2015, Public Hearing and Second Reading June 8, 2015.

AMENDED: Public Hearing and Second Reading rescheduled to June 15, 2015.

ADOPTED without discussion.

- B. **Ordinance 15-18**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2015 Capital Budget by Appropriating \$613,000 From the General Fund Fund Balance to the Public Safety Building Project Account to Fund the New Public Safety Building to 35% Design. Mayor. Recommended dates: Introduction May 26, 2015, Public Hearing and Second Reading June 8, 2015.

Memorandum 15-074 from City Manager as backup.

Ordinance 15-18(S), An Ordinance of the City Council of Homer, Alaska, Amending the FY 2015 Capital Budget by Appropriating ~~\$613,000~~ **\$621,500** From the General Fund Fund Balance to the Public Safety Building Project Account to Fund the New Public Safety Building to 35% Design. Mayor.

AMENDED: Public Hearing and Second Reading rescheduled to June 29, 2015

ADOPTED Substitute Ordinance 15-18(S) with discussion.

- C. **Ordinance 15-14**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Grant from the Kenai Peninsula Borough for FY 2014 in the Amount of \$13,925.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommended dates: Introduction May 26, 2015, Public Hearing and Second Reading June 8, 2015.

AMENDED: Public Hearing and Second Reading rescheduled to June 15, 2015.

ADOPTED with discussion.

- D. **Ordinance 15-15**, An Ordinance of the City Council of Homer, Alaska, Purchasing Tax Foreclosure Property, Kenai Peninsula Borough (KPB) Tax Parcel Number 173-052-19 and Designating its Use for Public Purpose and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommended dates: Introduction May 26, 2015, Public Hearing and Second Reading June 8, 2015.

AMENDED: Public Hearing and Second Reading rescheduled to June 15, 2015.

ADOPTED with discussion.

- E. **Ordinance 15-16**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 3.05.012, Complete Financial Plan, to Exclude State Revenue Sharing From Income in the City Budget. Mayor. Recommended dates: Introduction May 26, 2015, Public Hearing and Second Reading June 8, 2015.

AMENDED: Public Hearing and Second Reading rescheduled to June 15, 2015.

ADOPTED with discussion.

10. CITY MANAGER'S REPORT

A. City Manager's Report

1. Memorandum 15-076 from City Manager, Re: Process for land sales.
2. Memorandum 15-075 from IT Manager, Re: Telephonic Participation at Council Meetings.
3. Memorandum 15-079 from City Manager, Re: Tax Revenue and Public Safety

City Manager Koester commented on the city process for land sales. It is a cumbersome process where land has to be appraised, the Council adopts a resolution authorizing

advertisement for sealed bids or a public outcry auction, and properties cannot be sold for less than fair market value. Recommendations were discussed at the Committee of the Whole including appraisals before sale, but not before listing for sale, and sale of land to adjacent land owners.

The Council suggested having the ability to list property for sale and allowing interested buyers to approach the City. Property could be sold for higher than the assessed value. Modifying the requirements that property be sold for higher than appraised value to higher than assessed value will eliminate the need for an appraisal. The objective in liquidating the properties is to get them back on the tax roll without diminishing the value. An ordinance changing the process to “assessed” instead of “appraised” value would solve most of the issues.

The Council decided to use the existing process on the West Hill and Kachemak Drive properties to get the process moving forward quickly.

Port and Harbor Director Hawkins reported on the float debris. They have stationed a dumpster by the barge ramp to collect debris brought in from the beaches. The float replacement project had two phases; phase 1 started in October. It detailed it as the contractor’s responsibility to dispose of the floats, but didn’t say how. There was a lot of interest around the bay for the floats that were advertised for free. Property owners took the floats across the bay and some owners allowed the floats to get away, ending up on area beaches. The City has supplied a dumpster to bring pieces back in for disposal. Port and Harbor Director Hawkins has asked the contractor for a list of people who received the floats to have a conversation with them. He does not know how big the issue is; to date he has received a few pictures of floats, three pieces so far. The second phase contract said the discarded floats need to be removed from the harbor and set on uplands for three weeks to make sure the species of growth have died. Flotation billets had to be replaced with modern coated flotation.

Cuts to the jail contract and diminishing State Revenue Sharing will impact next year’s budget. The Council scheduled an Executive Session on June 15th to review the budget deficiencies.

B. Bid Report

C. Games Report

1. Alaska Marine Conservation Council

11. CITY ATTORNEY REPORT

City Attorney Klinkner reported the Alaska Supreme Court denied the petition for review on the assessments for condominiums for the Natural Gas Special Assessment District. He will provide a resolution for the next meeting to reassess the condominiums.

12. COMMITTEE REPORT

- A. Public Arts Committee
- B. Permanent Fund Committee
- C. Employee Committee Report
- D. Port and Harbor Building Task Force

Mayor Wythe reported the grand opening celebration of the harbor office is June 11th.

- E. Public Safety Building Review Committee

Mayor Wythe reported there is no meeting scheduled for the committee at this time.

- F. Vessel Haul-Out Task Force

13. PENDING BUSINESS

14. NEW BUSINESS

15. RESOLUTIONS

- A. **Resolution 15-040**, A Resolution of the Homer City Council Establishing the Property Tax Mill Levy Rate at 4.5 for 2015. City Manager.

ADOPTED with discussion.

16. COMMENTS OF THE AUDIENCE

There were no comments of the audience.

17. COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner had no comments.

18. COMMENTS OF THE CITY CLERK

City Clerk Johnson commended the Council on an exceptional job getting through tough issues.

19. COMMENTS OF THE CITY MANAGER

City Manager Koester reported a \$366,000 cut to jail funding. Council has intelligently backed out revenue sharing from the budget. There is a combined fiscal gap of \$750,000 and sales tax is down 8% for the first quarter when there was a projected 2% increase. The supplemental packet contains mill rate and sales tax information. She commended the Council for looking at the budget for the next meeting and asked them to delve into the details. It gives her great pause to be facing that type of shortfall.

Mayor Wythe clarified jail funding for 2015 will diminish by one half of the \$366,000.

20. COMMENTS OF THE MAYOR

Mayor Wythe thanked everyone for being here and Francie for starting the meeting in her absence. She had an awesome day with the King of Norway. It was fun and she learned a lot of things about the Arctic and that we need to have a bigger voice in that conversation. The community of Homer needs to start paying attention; she knows there are people doing that. We need to be getting our name and business card out there saying we have a port and need a bigger harbor. We need to be able to help support that industry as it comes on. It will be important to us in the next 3-5 years.

21. COMMENTS OF THE CITY COUNCIL

Councilmember Roberts appreciates everyone's comments, although we didn't always agree. It was interesting debate on ideas of how to address some of the problems. She had asked Interim City Manager Yoder to look into the amount of water in our reservoir. We didn't get much snow pack this year. She asked City Manager Koester to look into it to reassure us we do not have water issues. We approved the public arts inventory contract. She is glad to see it is happening. Her original concern was it would be too costly, but it doesn't seem overboard in cost. We have wonderful artwork all over the City and it would be good to get that job done. She asked City Manager Koester about the re-allocation for Waddell Way.

City Manager Koester answered we had asked for \$600,000 to be re-appropriated to the public safety building. The money was not re-appropriated, but it wasn't taken. We still have \$1.4M for Waddell Way. Carey has been working on it and brought it to Planning Commission at their last meeting. She will provide an update at the next meeting.

Councilmember Reynolds thanked everyone for the lively discussion and everyone that came for public comments. She thanked Alaska Youth On Record. She was happy to see Resolution 15-035 passed, especially after this weekend when there was an oil spill on Thors Hammer.

We have already had three large vessels in Cook Inlet lose power this year. Hopefully the Coast Guard is able to see the wisdom of keeping response caches around the area.

Councilmember Van Dyke had no comment.

Councilmember Lewis asked Katie to have a resolution supporting the 50 ft. buffer around streams. The Borough has an ordinance coming up to do away with that, but salmon is an important part of the Peninsula. He wished the boys' soccer team luck this week at State. They won two and lost one; all of the games were by one goal and two were in overtime. They get to pay Kenai for their first game at the State. He is glad to see Chamber of Commerce Director Karen Zak here. Councilmember Lewis received a couple emails from Nick Varney who had contacted the Chamber about a partnership with businesses and building an enclosure over the fish cleaning tables at the Fishing Hole and he had not heard back from the Chamber. He asked Karen to get in touch with him.

Councilmember Zak thanked the Council for their great work and the City Manager for bringing it to our attention she is looking for assistance with the budget. We had the King of Norway and the first cruise ship of the season dock here. We get a few cruise ships and some revenue from them. Those visitors see our beautiful community and often come back. It was great to see and learn of additional small businesses that are operating in our community.

Councilmember Burgess reminded the general public when they make an emotional appeal to persuade someone on an issue, he appreciates people bringing facts to the table when trying to convince the Council either way to state their position. It is a lot easier to get behind solutions than emotional appeals. We are lucky to have a mayor who takes care of our town fiscally. Although he may not agree with the mayor on every policy decision we make, Mayor Wythe does an excellent job looking out for the fiscal future of our town and in balancing our budget. It makes him feel good when we spend money to send her to a Fairbanks conference or when she takes time to hang out with a foreign head of state because there is a lot of good that comes to the City of Homer for her efforts. It is often overlooked by those who aren't intimately involved with our government. He asked if we are getting a new project manager for Carey.

City Manager Koester answered she had advertised a temporary position for the project manager. She hopes funding for it can come out of the Deep Water Dock Feasibility Study. It is a big project that needs to be managed. She hasn't authorized filling a full time position as she is moving forward cautiously.

Mayor Wythe added the project manager was authorized previously to the extent we had projects funded to support his salary. It was not considered a permanent position.

22. ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 8:26 p.m. The next Regular Meeting is Monday, June 8, 2015 at 6:00 p.m.,

Committee of the Whole 5:00 p.m., and Worksession 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.